
Introduced by Senator Torlakson

February 22, 2001

An act to add Chapter 5 (commencing with Section 25960) to Part 13.5 of Division 1 of Title 1 of the Education Code, relating to retired teachers' health benefits.

LEGISLATIVE COUNSEL'S DIGEST

SB 461, as introduced, Torlakson. Catastrophic Prescription Drug Insurance Program.

Existing law requires the Board of Retirement of the Teachers' Retirement System to report to the Legislature, by a specified date, on a prescription drug program for retired members of the system.

This bill would direct that board to establish and administer, by a specified date, a Catastrophic Prescription Drug Insurance Program for retired members credited with an unspecified number of years of service, which program would be fully automated, coordinated with each retiree's medical insurance program, and secondary to any Medicare benefits. The bill would authorize the board to specify and modify deductibles, copayments, and maximum benefit levels to limit the cost of the program to an unspecified amount and to modify the program to conform to requirements of state and federal law.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Chapter 5 (commencing with Section 25960) is
- 2 added to Part 13.5 of Division 1 of Title 1 of the Education Code,
- 3 to read:
- 4

1 CHAPTER 5. CATASTROPHIC PRESCRIPTION DRUG INSURANCE
2 PROGRAM
3

4 25960. The board shall establish and administer, effective
5 January 1, 2003, a Catastrophic Prescription Drug Insurance
6 Program to provide high deductible coverage for prescription
7 drugs to retired members of the Defined Benefit Program credited
8 with at least ____ years of service, excluding service credited
9 pursuant to Sections 22714, 22715, 22717, 22717.5, and 22826
10 but including any credited service that a court has ordered be
11 awarded to a nonmember spouse pursuant to Section 22652.

12 25961. The board shall, by plan amendment, specify any
13 deductible, copayment, and maximum benefit level. The board
14 shall review and, if necessary, modify deductibles, copayments, or
15 maximum benefit levels, or any combination of the three, in order
16 to limit the present value of the cost of the program to the fund to
17 ____ dollars (\$____) from January 1, 2003 to January 1, 2033,
18 inclusive.

19 25962. The Catastrophic Prescription Drug Insurance
20 Program shall:

21 (a) Be fully automated and coordinated with each retiree's
22 medical insurance program, including pharmacies and medical
23 insurance plans provided by school districts and Medicare.

24 (b) Be secondary to any benefits provided by Medicare.

25 25963. The board reserves the right to modify the program if
26 it determines that modifications are necessary to bring the program
27 into conformity with state or federal law.

